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C O N F I D E N T I A L SECTION 01 OF 04 ISTANBUL 000349

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SUBJECT: RECEP TAYYIP ERDOGAN: CLUES FROM ISTANBUL

REF: A. 02 ISTANBUL 449 1B. 02 ISTANBUL 390

Classified By: Consul General David Arnett for Reasons 1.5 (b) and (d).

11. (U) Summary: In assessing the outlook for the new government to be led by Justice and Development (AK) Party leader Tayyip Erdogan, we look back at his only major previous government experience --- as Istanbul Mayor from 1994 to 1998. End Summary.

### Refah and Grassroots Politics

12. (U) Erdogan ran for Istanbul Mayor in 1994 with little prior political experience. However, he had benefited from his work in the milieu of Islamist leader Erbakan's National View (Milli Gorus) Movement, Erbakan's Refah Party (RP), and his own natural political skills and personal charisma. A graduate of a preacher (Imam-Hatip) high school, Erdogan worked his way up through the RP system and ran for Istanbul Mayor from the platform of RP Chairman for Istanbul. At tha time, Refah had pioneered pervasive grassroots political organization, door-to-door campaigning, charitable donations, and other techniques now widely emulated by other political parties in Istanbul. Such tactics proved to be particularly Successful in the populous Istanbul districts of Gaziosmanpasa, Umraniye, Fatih, and Bagcilar districts --poor, migrant neighborhoods that were rapidly expanding as Turkey underwent massive urbanization. The newcomers came from the poorest parts of Anatolia in search of jobs and economic stability. But Istanbul's inability to absorb them combined with years of chronic high inflation left most living in dire economic conditions, adding to the swelling ranks of the urban poor. Mostly conservative and religious, they were welcomed by similarly conservative and religious, they were welcomed by similarly conservative local RP activists, mostly head-scarved women, who provided them with donations of food and coal, as well as advice on how to find homes and jobs. Largely on the basis of their support, RP had made steady in-roads in these and other neighborhoods of Istanbul since 1984, winning an increasing share of the vote and minor victories, including the Fatih District Mayorship

# A Tight Race, A Narrow Mandate

in 1989.

 $\underline{\P}3$ . (C) The support of the Refah party organization alone, however, was not enough. Erdogan benefited from the fact that the Istanbul 1994 election was a tightly contested race with strong candidates from several of the other parties. The left and left-center votes were divided between Democratic Left Party (DSP) candidate Necdet Ozkan (brother of Husamettin Ozkan, who later became deputy PM under PM Ecevit) and Socalist Democratic People's Party (SHP) candidate Zulfu Livaneli. The votes from the center-right were split between Ilhan Kesici from the Motherland Party (ANAP) and former Istanbul Mayor Bedrettin Dalan, who abandoned ANAP and ran on the True Path Party (DYP) ticket. Dalan told us recently that he had been promised the ANAP nomination only to have it personally rescinded by ANAP Chairman Mesut Yilmaz. Dalan says that he then accepted the DYP nomination with no expectation of victory (Note: DYP is traditionally very weak in Istanbul. End Note), hoping merely to split the center-right vote, deny victory to Kesici, and thereby spite Yilmaz and ANAP. The final results suggest that he may have succeeded. Erdogan edged out Kesici by a little more than 40,000 votes with only 25.6 percent to Kesici's 24.6 percent. Livaneli finished third with 17.4 percent and Dalan "the spoiler" finished with 12.5 percent.

#### Erdogan the Man

 $\P4$ . (U) Although impossible to quantify, Erdogan's charisma and political savvy have also been key factors in his success as a politician (see ref A for more detail). Erdogan has supporters throughout Istanbul and in all walks of life.
When asked why they like him, the most common response is that he is someone they can trust. Erdogan was a fresh face, a talented football player, and came from humble beginnings

-- all political assets in a country that is chronically disappointed with its politicians, as was the case with Erdogan's predecessor, Nurettin Sozen. Most Istanbul residents also respected Erdogan's faith and devotion, although his Islamist credentials were somewhat alarming and controversial among the secularist establishment and public media. This controversy was fueled by pre-election promises to build a mosque in Taksim square and close the city's brothels, as well as by Mayor Erdogan's decisions to ban alcohol in municipal facilities and to close the cafeterias during Ramadan.

## Targeting the Urban Poor

15. (C) Once in office, however, Erdogan worked quickly to bolster his public support and reward those who elected him by devoting his efforts to addressing the needs of the urban poor. The standard mantra used by Erdogan supporters to characterize his term is one in which corruption was replaced by honest administration and city services were actually delivered. This view enjoys much popular resonance. When before the election we asked Erdogan supporters why they backed him, we most often heard the refrain that "he got things done in Istanbul." Erdogan himself pointed to his success in such areas as increasing water fee collections 25-fold to 25 million USD, thereby enabling the city to wean itself from reliance on foreign donors to provide this essential service. More generally, Erdogan supporters stressed the city's improving budget picture during his

essential service. More generally, Erdogan supporters stressed the city's improving budget picture during his tenure, in which a 2 billion USD deficit was transformed into a surplus and civic investments expanded dramatically. Scrutiny of Istanbul's budget books confirm some but not all of these points. In contrast to earlier periods, Istanbul under Erdogan consistently ran a budget surplus. Public investments were not sacrificed to meet day-to-day obligations, but were largely realized at the same rate as the rest of the budget.

16. (C) Many of our interlocutors point to the roads, gas, and water networks built in the poor suburbs, crediting Erdogan with improving the quality of life for millions of Istanbul residents. Erdogan gets less praise from middle and upper-class Istanbul residents, many of whom live in the richer neighborhoods of Besiktas, Bakirkoy, and Kadikoy, which continued to experience the chronic urban challenges of pollution and congestion. Here, too, however, Erdogan is often credited with completing the first line of Istanbul's underground metro, cleaning up the Golden Horn, and constructing an extensive natural gas network. Former Malan claims that Erdogan had no "vision" and failed to Former Mayor implement any major, new projects, merely executing those that had been in the pipeline for years. He says that Erdogan called him to personally apologize for abandoning Dalan's plan to revamp Taksim Square by rerouting traffic But even Dalan admits that through underground tunnels. Erdogan was significantly better than his predecessor Sozen and concedes that Erdogan "tried." Rusen Cakir, a veteran journalist with the Vatan daily newspaper and author of a book on the Refah Party and a biography of Erdogan himself, told poloff that from the beginning Erdogan saw Istanbul as a platform for higher political ambitions. As a result, Erdogan worked hard to cultivate a broad constituency and develop a reputation as an honest, effective administrator.

### Corruption

 $\underline{\P}7.$  (C) If there is agreement that the depiction of Erdogan as a mayor who got things done has a strong base in reality, more questions surround the argument that he ran a clean (or "ak") government. Views differ as to Erdogan's personal complicity in the various corruption scandals of his administration, but there are few who would deny that "where there is smoke, there is fire." And while it is certainly possible that the prosecution of the cases against Erdogan may have been politically motivated, the public evidence and what we have heard from Istanbul contacts in a position to know point to an extensive pattern of corruption (see refs A and B for further details). The major scandals involved corruption in the awarding of public tenders for the city natural gas distribution system, the underground metro, cleaning up the Golden Horn, trash collection, municipal shuttle bus service, and planting trees in public spaces. Erdogan was also charged with misappropriating funds by manipulating data on the electronic tickets used for the city's transportation services and for renting out municipal advertisement billboards for below-market prices. He has been acquitted from all but one of these cases, although there is still a possibility that other cases could still be opened.

 $\P 8.$  (C) Former Istanbul CHP Chairman Mehmet Boluk, who was at least partially responsible for collecting the evidence that

led to these cases, told us that major corruption in Istanbul began under Dalan, continued under Sozen, but reached new heights under Erdogan. Rusen Cakir disagrees, arguing that while corruption took place under Erdogan, it was much more centralized and controlled (and therefore less in absolute terms) than under Dalan and Sozen. In any case, the pattern of corruption has been the same. Mayors have used their power to award and cancel public tenders to funnel money to favored companies. These companies, presumably, return the favor by making payments into personal bank accounts or to favored charities. Another well-informed observer of Turkish politics told us that in many cases political parties simply send their campaign expenses to such companies, which then pay them and conceal the payments as assorted business expenses. Rusen Cakir and others have told us that the proceeds of corruption during Erdogan's administration were primarily directed to charities and a select group of people, and not widely disbursed through the city administration. 19. (C) How did Erdogan manage to keep his hands clean and escape responsibility? Boluk, who is also a former investigative journalist (who also gathered and presented evidence against Erdogan's CHP predecessor Sozen), believes that the various cases have been dropped largely as a result of political pressure from Erdogan and his supporters. cited the AKBIL (electronic ticket) case as an example. After failing to appear for three consecutive court dates, Erdogan finally came to court with a new legal team that included two retired judges from the same court. Without explanation, the prosecutor himself asked that the charges be dropped. In other cases, unexplained delays in procedural matters have led to charges being dropped due to a statute of limitations clause. There are still outstanding charges related to the IGDAS case, for example, but the prosecutor has kept the file on his desk for months.

110. (C) Among the public, the cases have lacked traction because of the widely-shared belief, stemming from Erdogan's 1997 conviction for "Islamist sedition", that Turkey's secular establishment was hounding him and using the legal system to pursue political ends. In addition, unlike the "mainstream" politicians who ran Istanbul, Erdogan still benefits from a perception, almost uniquely applied to Islamist politicians, that corruptly-attained funds were plowed back either into city services— via purchases of ambulances, garbage trucks, and other amenities for impoverished districts— or in party/movement building rather than venal pocket-lining. (Note: As ref A notes, our "establishment" contacts confirm that this perception had an important basis in reality, and that ironically they would have preferred the older system to being forced to contribute to causes in which they did not believe. End Note.) AK's move away from piously Islamic rhetoric to more mainstream issues, coupled with its recruitment of shady though presumably more traditional political figures, has made it harder for Erdogan to maintain this political teflon.

# Erdogan's Cronies

111. (C) Many of the other defendants and people who presumably profited from these scandals have accompanied Erdogan and the AK party to Ankara. The president of a think tank with close links to the Turkish government and state told us that although other AK parliamentarians and party people may be fiercely ideological, he believes that this group is motivated primarily by its loyalty to Erdogan. Transportation Minister Binali Yildirim, formerly the General Director of the Istanbul Sea Bus, was removed from office on corruption charges that took place under Erdogan. Energy Minister Mehmet Hilmi Guler was an adviser to Erdogan and an IGDAS (Istanbul Natural Gas Distribution Company) board member and a defendant in the natural gas corruption case. Among those who are rumored to be added to a new Erdogan cabinet next week are Idris Naim Sahin and Akif Gulle, both of whom worked with Erdogan in Istanbul and were implicated in various corruption scandals. There are also more than a dozen other AK parliamentarians that were implicated in the various Erdogan corruption scandals. Separately, the heads of several major city-managed firms during Erdogan's tenure and other Erdogan advisers have since been newly appointed to lucrative positions as the heads of state-owned companies, including Turkish Airlines, the State Water Works, Turkish Petroleum Refineries Corporation, and the General Foundations Directorate.

#### Comment

112. (C) Was Erdogan a successful mayor? The answer depends on whom you talk to and what constitutes success in their minds. One thing is clear, however. Despite his narrow mandate, the corruption scandals, and unrelenting criticism regarding his Islamic leanings, Erdogan remained loyal to the constituency that elected him. He had little time for grandiose new plans, instead devoting the bulk of his efforts

to providing municipal services to the urban poor. In the process he may well have enriched a circle of friends and supporters, thereby laying important groundwork for the eventual establishment of the AK Party and its success at the polls in 2002. Among the AK parliamentarians and other power-brokers that have relocated to Ankara, it is likely that there is a sizable group that is motivated more by loyalty to Erdogan (and perhaps by simple greed) than by ideological considerations. As for Erdogan himself, if his service as Istanbul Mayor is any guide, his efforts as Prime Minister will be primarily devoted to solidifying and expanding AK's voter base. And although that base has expanded considerably beyond the urban poor of Istanbul, it still remains largely disenfranchised and conservative. Satisfying this segment of the Turkish population while operating under the rigid austerity of Turkey's IMF program will be among Erdogan's greatest challenges. End Comment.